



MEETING AGENDA – DECEMBER 15, 2015

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

Call to Order

- 1. Approval of Agenda**
- 2. Approval of Minutes**

Public Utility Board - Regular Meeting - Nov 24, 2015 4:00 PM

- 3. Approval of Accounts Payable**

AP Board listing

- 4. Proclamation: Roger Stahl & Jerry Williams**

Proclamation: Roger Stahl

Proclamation: Jerry Williams

NEW BUSINESS

Open Comment Period

(This agenda section is for the purpose of allowing citizens to address the Utility Board. Comments are limited to 4 minutes, total comment period limited to 15 minutes. Any speakers not having the opportunity to be heard will be the first to present at the next Board meeting.)

- 5. Consideration Of Bids**

1. Steel Transmission Poles

Resolution: Steel Transmission Poles

2. Insurance Quotations for 2016

Resolution: Commercial Automobile & General Liability Insurance

Resolution: All Risk Property Insurance

Resolution: Excess General Liability Insurance

- 6. Regular Agenda**

1. Memorandum of Understanding between the City of Rochester and the International Brotherhood of Electrical Workers Local 949 Inside Group.(Office and Clerical) Limited Appointment Position
Resolution: Memorandum of Understanding between the City of Rochester and the International Brotherhood of Electrical Workers Local 949 Inside Group.(Office and Clerical) Limited Appointment Position
2. Professional Services: Bluespire Marketing
Resolution: Professional Services Bluespire Marketing
3. Agreement for Funding Lake Zumbro Restoration Services
Resolution: Agreement for Funding Lake Zumbro Restoration Services
4. 2016 Authorized Depositories
Resolution: 2016 Authorized Depositories
5. Approving and Consenting to the Issuance of Electric Utility Revenue Bonds, of the City of Rochester, Minnesota within stated Parameters.
Resolution Approving and Consenting to the Issuance of Electric Utility Revenue Bonds, of the City of Rochester, Minnesota within stated Parameters.
6. MISO Definitive Planning Study
Resolution: MISO Definitive Planning Study
- 7. General Managers Report**
- 8. Division Reports & Metrics**
- 9. Other Business**
- 10. Adjourn**

The agenda and board packet for Utility Board meetings are available on-line at www.rpu.org and <http://rochestercitymn.iqm2.com/Citizens/Default.aspx>



MEETING MINUTES – NOVEMBER 24, 2015

BOARD ROOM
4000 EAST RIVER ROAD NE
ROCHESTER, MN 55906

4:00 PM

1. 3:30PM Closed Meeting

A closed meeting to receive a communication from, and to have a discussion with, the City Attorney regarding the status of and to discuss potential litigation strategies for the pending administrative legal proceedings involving the City and the U.S. Federal Energy Regulatory Commission ("FERC"). These two administrative cases involve the City's request for FERC approval to allow Rochester Public Utilities' transmission costs to be shared with other regional utility companies resulting in lower costs to the City and RPU. The administrative cases are identified as Midcontinent Independent System Operator, Inc., FERC Docket No. ER14-2154-000 and Midcontinent Independent System Operator, Inc., FERC Docket No. ER15-277-000. The closed meeting will occur pursuant to Minnesota Statutes, Section 13D.05, subd.3 (b).

2. 4:00 Regular Meeting

Call to Order at 4:28 PM.

Attendee Name	Title	Status	Arrived
Michael Wojcik	Board Member	Present	
Jerry Williams	Board President	Present	
Dave Reichert	Board Member	Excused	
Roger Stahl	Board Member	Present	
Mark Browning	Board Member	Present	
Terry Adkins	City Attorney	Present	

3. Approval of Agenda

Motion to: Approve the agenda as presented.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Roger Stahl, Board Member
AYES:	Michael Wojcik, Jerry Williams, Roger Stahl, Mark Browning
EXCUSED:	Dave Reichert

4. Approval of Minutes

Public Utility Board - Regular Meeting - Nov 10, 2015 4:00 PM

RESULT:	ACCEPTED [3 TO 0]
MOVER:	Mark Browning, Board Member
SECONDER:	Roger Stahl, Board Member
AYES:	Jerry Williams, Roger Stahl, Mark Browning
ABSTAIN:	Michael Wojcik
EXCUSED:	Dave Reichert

5. Approval of Accounts Payable

Minutes Acceptance: Minutes of Nov 24, 2015 4:00 PM (Approval of Minutes)

A/P Board Listing

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Roger Stahl, Board Member
SECONDER:	Mark Browning, Board Member
AYES:	Michael Wojcik, Jerry Williams, Roger Stahl, Mark Browning
EXCUSED:	Dave Reichert

NEW BUSINESS

Open Comment Period

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President Williams opened the meeting for public comment, the following people came forward: Tom Williamson, 1511 Ridge Cliff Lane NE, Rochester; 3 requests:

- Improved Coordination of the RPU peaking plant, infrastructure plan & DMC plan.
- Provide a method of contacting RPU board members
- West side engineering design proposal with 100% renewable sources or high efficiency sources for auxiliary power needs.

Andrea Gates, 820 1st St. SW, Rochester: LED lighting

6. Regular Agenda

7. Informational

Informational: IT Overview

Phil Teng, IS Manager and Peter Hogan, Director of Corporate Services presented the Information Technology update.

A motion was made to accept the report and place on file.

Motion to: Accept the IT Report and place on file.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Michael Wojcik, Board Member
SECONDER:	Mark Browning, Board Member
AYES:	Michael Wojcik, Jerry Williams, Roger Stahl, Mark Browning
EXCUSED:	Dave Reichert

8. General Managers Report

Mark Kotchevar gave his General Managers report:

- Thank you to the Board for the budget discussion and approval. The Council approved the budget on 11/16.
- The MMUA Legislative Rally will be held in the Twin Cities in April.
- Tony Benson was appointed vice chair of the APPA Customer Communications Committee.
- Short term financing will be discussed at the January or February board meeting.
- The 5.2 million dollar savings from our bond refunding will be passed along to RPU customers.

9. Division Reports & Metrics

Mr. Wojcik would like to see an annual estimate of CO2 savings and forward projection.

Minutes Acceptance: Minutes of Nov 24, 2015 4:00 PM (Approval of Minutes)

President Williams said he would like us to be careful with this.

10. Other Business

- Mr. Wojcik said this year's annual Earth Day event will focus on the Mayor's proclamation.
- Solar update: RPU's installation will start in the spring.
- Mr. Wojcik wanted to touch on the comments from the open comment period:
 - The coordination between plans staff are already working on.
 - Board emails: can we get an RPU email? We will look into this.
 - LED lighting: options/ testing for uniform lighting pattern.
- Mr. Browning asked about the cost of connection study, are we still working on it? This will be brought back to the Board in January or February.

11. Adjourn

Motion to: Adjourn at 5:45 PM.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Roger Stahl, Board Member
SECONDER:	Michael Wojcik, Board Member
AYES:	Michael Wojcik, Jerry Williams, Roger Stahl, Mark Browning
EXCUSED:	Dave Reichert

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Submitted by:

Secretary

Approved by the Board

Board President

Date

Minutes Acceptance: Minutes of Nov 24, 2015 4:00 PM (Approval of Minutes)

ACCOUNTS PAYABLE

Meeting Date: 12/15/2015

SUBJECT: AP Board listing

PREPARED BY: Terri Engle

Please approve

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 11/16/2015 To 12/06/2015

Consolidated & Summarized Below 1,000

1	<u>Greater than 50,000 :</u>		
2			
3	XCEL ENERGY CORP	CapX - LaCrosse Project CMA	1,502,851.45
4	MN DEPT OF REVENUE	Oct Sales and Use Tax	518,046.33
5	CONSTELLATION NEWENERGY-GAS D	SLP Pilot and Boiler Gas	169,040.83
6	CONSTELLATION NEWENERGY-GAS D	Gas at Cascade Creek	107,149.82
7	OSI-OPEN SYSTEMS INTERNATIONA	SCADA Replacement	103,705.40
8	ALVIN E BENIKE INC (P)	Construction of Well house #41	100,429.49
9	TEREX UTILITIES INC	Aerial Device V555	97,404.81
10	MN DEPT OF HEALTH	Community Water Supply Fee, Oct - Dec 2015	60,499.00
11	DOYLE CONNER CO INC (P)	SC Pavement Rehab Project	56,075.00
12			
13		Price Range Total:	2,715,202.13
14			
15	<u>5,000 to 50,000 :</u>		
16			
17	MAYO CLINIC	CIP Conserve & Save Rebates	48,492.50
18	KEMA INC	Communications Study Substations	35,000.00
19	ULTEIG ENGINEERS INC	Douglas Trail Substation Design EPIC	33,138.00
20	OPOWER INC	2015-2016 Home Energy Reports	24,000.00
21	WRIGHT TREE SERVICE INC	2015 Hourly Tree Contract~	21,120.80
22	JENNINGS, STROUSS & SALMON PL	2015 Legal Fees	18,719.71
23	DAKOTA SUPPLY GROUP	Luminaire, 108W LED, PC 120-277V, Gray	18,339.75
24	CORPORATE RISK SOLUTIONS INC	NERC CIP 5 Compliance Mgmt Prgm -Phase 2	18,028.36
25	VISION COMPANIES LLC (P)	Org Strategy	14,775.00
26	MASTEC NORTH AMERICA INC	new Service St Bridget RD SE	14,173.50
27	BARR ENGINEERING COMPANY (P)	Construction Management-Silver Lake Dam	13,991.72
28	INNOVATIVE OFFICE SOLUTIONS L	Hon Lota Chairs	13,450.00
29	USIC LOCATING SERVICES INC	2014-2015 Locating Services	12,795.05
30	A B M EQUIPMENT & SUPPLY INC	Utility Body for V565	12,522.00
31	MASTEC NORTH AMERICA INC	Reconductor 33 st nw & Chalet Dr NW	11,628.85
32	ULTEIG ENGINEERS INC	Q6 Relocation for 55 St Ext @ roadway	11,295.00
33	ST MARYS UNIV MN CASCADE MEAD	2015 Annual Lease at Cascade Meadows	11,000.00
34	RIVER VALLEY POWER & SPORT	CIP Conserve & Save Rebates	10,135.27
35	BOWLOCITY RECREATION LANES	CIP Conserve & Save Rebates	9,985.86
36	BARR ENGINEERING COMPANY (P)	Water Sustainability Study Phase 3A	9,864.50
37	CONSOLIDATED COMMUNICATIONS d	Cisco UC Phone 7945, Gig Ethernet, Color	9,576.90
38	STUART C IRBY CO INC	Vault, Fiber Optic, w/Cover 36"x60"x36"	9,160.00
39	CHS ROCHESTER	Monthly Fuel Invoice	8,797.01
40	WESCO DISTRIBUTION INC	Wire, AL, 600V, 350-4/0 NEU YS Tri Urd	7,454.02
41	ALTO CONSULTING & TRAINING IN	SharePoint user training	7,113.03
42	BAIER GERALD	2015-16 Snow Removal (Oct	6,966.66
43	ELECTROCON INTERNATIONAL INC	2016 CAPE software maintenance	6,934.05
44	GREAT RIVER ENERGY	CapX Vision Team - O&M	6,358.92
45	AMAZON.COM	Dell T3610 tower workstation	6,139.28
46	DAKOTA SUPPLY GROUP	Meter, FM2S CL200 240V AMR	5,739.19

Attachment: AP Board CRMO (4848 : AP Board listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 11/16/2015 To 12/06/2015

Consolidated & Summarized Below 1,000

47	BANKS JOSHUA C	Photography - Water twr, slp stack, dam,	5,130.00
48	STUART C IRBY CO INC	Cutout, 15KV, 100A, NLB, Poly	5,092.50
49	PITNEY BOWES PURCHASE POWER	Postage	5,045.00
50			
51		Price Range Total:	451,962.43
52			
53	<u>1,000 to 5,000 :</u>		
54			
55	MNDNR FIELD SERVICES	* Customer Refund - CCS 300000525622	4,971.22
56	POWER SYSTEMS ENGINEERING INC	2015 Core Downtown Electric Study Scope	4,795.50
57	BARR ENGINEERING COMPANY (P)	Lake Zumbro Improvement Service	4,637.78
58	CONSOLIDATED COMMUNICATIONS d	Cisco UC Phone 7965, Gig Ethernet, Color	4,443.78
59	WRIGHT TREE SERVICE INC	Hourly Tree Removal~	4,358.80
60	STUART C IRBY CO INC	Metal Sec. Encl, 3ph, 30" x 67" x 22"	4,327.50
61	CHS ROCHESTER	Monthly Fuel Invoice	4,284.70
62	CITY OF ROCHESTER	Workers Comp	4,036.68
63	TSP INC	TSP Design System Operations	3,802.50
64	WHKS & CO	Engineering Services St. Bridget's Tower	3,575.12
65	CENTURYLINK	2015 Monthly Telecommunications	3,560.08
66	ULTEIG ENGINEERS INC	RTAC Configuration Chester Sub	3,525.00
67	SCHAD TRACY SIGNS INC	Exterior sign replacement at SC	3,500.16
68	ULTEIG ENGINEERS INC	Update CAPE Model	3,407.00
69	D P C INDUSTRIES INC	2015 Hydrofluorosilicic Acid - Delivered	3,312.75
70	MANSFIELD OIL COMPANY	Fuel Oil, IBM Gen Set #2	3,156.10
71	ROCH PLUMBING & HEATING CO IN	Olm Count Campus water system purchase	3,118.45
72	D P C INDUSTRIES INC	2015 Chlorine, 150 lb Cyl	3,082.50
73	ROCH AREA CHAMBER OF COMMERCE	Chamber Sponsorship	3,000.00
74	NALCO COMPANY	Sur-Gard 1700 Oxygen Scavenger DEMIN/SLP	2,629.00
75	ZOLLER BROTHERS IRRIGATION LL	SC Irrigation repairs by main sign	2,500.00
76	MANSFIELD OIL COMPANY	Fuel Oil, IBM Gen-Set #1	2,386.70
77	VIKING ELECTRIC SUPPLY INC	Wire, Copper, 600V, 2/0 Str, XLP	2,260.00
78	STEVE GENTRY CONSTRUCTION LLC	Replace well & chemical room doors	2,140.00
79	D P C INDUSTRIES INC	2015 Carus 8500 Aqua Mag Kjell F35	2,102.40
80	NETWORKFLEET INC	2015 Monthly Charge - GPS Fleet Tracking	1,946.25
81	SHORT ELLIOTT HENDRICKSON INC	Sprint 2.5 John Adams Ant Site Review~	1,939.98
82	AFFILIATED CREDIT SERVICES IN	2015 Third Party Collections	1,847.02
83	PAYMENT REMITTANCE CENTER	Travel, hotels, gas, 4 ppl, Wartsila Neg	1,773.01
84	ROCH AREA CHAMBER OF COMMERCE	Chamber Sponsorship - silver	1,750.00
85	STEVE GENTRY CONSTRUCTION LLC	Remove wall mold and replace	1,685.00
86	BAIER GERALD	2015-2016 Sweeping Services Jan-December	1,683.28
87	JOHN HENRY FOSTER MN INC	Oil, QuinSyn, 5 Gal. Container	1,683.28
88	TRUCKIN' AMERICA	Tool Box	1,671.53
89	STUART C IRBY CO INC	Pedestal Cover, Box Style, FG	1,667.25
90	VISION COMPANIES LLC (P)	Consulting Services	1,650.00
91	MILESTONE MATERIALS	Rock for south lot	1,557.05
92	G A ERNST & ASSOCIATES INC	Neighborhood Energy audits	1,509.50

Attachment: AP Board CRMO (4848 : AP Board listing)

ROCHESTER PUBLIC UTILITIES

A/P Board Listing By Dollar Range

For 11/16/2015 To 12/06/2015

Consolidated & Summarized Below 1,000

93	LAUDON MARILYN	CIP Conserve & Save Rebates	1,496.00
94	MERRICK INC	Paper, Copier, 8-1/2 x 11 White 20# Bond	1,494.11
95	STUART C IRBY CO INC	Pedestal Base, Secondary, FG, w/o Cover	1,380.00
96	CHS ROCHESTER	Diesel Fuel	1,329.00
97	MASTEC NORTH AMERICA INC	Install Superior Dr NW & alpha parkway	1,300.00
98	TEREX UTILITIES INC	Change Order for Aerial Device V555	1,297.00
99	GRAINGER INC	Cap, Beanie Style Stocking Cap, FR	1,281.99
100	BARR ENGINEERING COMPANY (P)	2015 Annual Lake Zumbro Dam Inpsection	1,277.77
101	CITRIX ONLINE LLC	2015 Go To Meetings Online Meetings	1,250.44
102	CONSOLIDATED COMMUNICATIONS d	2014-2017 Monthly Data Services	1,222.75
103	CONSOLIDATED COMMUNICATIONS d	2014-2017 Collocation Agreement	1,169.07
104	CRESCENT ELECTRIC SUPPLY CO	Tagging, Yellow UG Cable	1,161.96
105	NORTHPLAZA DEVELOPERS, LLC	CIP Conserve & Save Rebates	1,140.00
106	HANSON PATRICIA S	Travel, APPA Customer Conf, ground, hote	1,139.84
107	PAYMENT REMITTANCE CENTER	Travel, APPA Customer Conf, ground, hote	1,139.84
108	GOODIN COMPANY	Bronze Swivel Connection, .750, 3/4	1,060.28
109	NARDINI FIRE EQUIPMENT CO INC	semi-annual inspection	1,050.00
110	ROCHESTER ARMORED CAR CO INC	2015/16 Pick Up Services May-April	1,041.89
111	STUART C IRBY CO INC	Leather Mitt Protector 10	1,031.13
112			
113		Price Range Total:	132,539.94
114			
115	<u>0 to 1,000 :</u>		
116			
117	PAYMENT REMITTANCE CENTER	Summarized transactions: 74	19,251.12
118	EXPRESS SERVICES INC	Summarized transactions: 14	10,094.97
119	REBATES	Summarized transactions: 43	7,568.90
120	MN PIPE & EQUIPMENT	Summarized transactions: 16	4,320.21
121	BORDER STATES ELECTRIC SUPPLY	Summarized transactions: 13	4,269.81
122	STUART C IRBY CO INC	Summarized transactions: 19	3,634.72
123	HUDSON WORKWEAR CO INC	Summarized transactions: 16	2,616.29
124	Customer Refunds (CIS)	Summarized transactions: 27	2,613.13
125	SHORT ELLIOTT HENDRICKSON INC	Summarized transactions: 9	2,443.06
126	VIKING ELECTRIC SUPPLY INC	Summarized transactions: 16	1,987.46
127	INNOVATIVE OFFICE SOLUTIONS L	Summarized transactions: 10	1,766.56
128	CINTAS CORP	Summarized transactions: 41	1,686.01
129	MASTEC NORTH AMERICA INC	Summarized transactions: 3	1,431.92
130	NAPA AUTO PARTS (P)	Summarized transactions: 19	1,344.94
131	METRO SALES INC	Summarized transactions: 3	1,275.14
132	DAKOTA SUPPLY GROUP	Summarized transactions: 9	1,260.44
133	WESCO DISTRIBUTION INC	Summarized transactions: 5	1,120.38
134	CONSOLIDATED COMMUNICATIONS d	Summarized transactions: 4	1,102.85
135	ROCH AREA CHAMBER OF COMMERCE	Summarized transactions: 2	990.00
136	BOWMANS SAFE & LOCK SHOP LTD	Summarized transactions: 6	957.81
137	REINDERS INC	Summarized transactions: 4	916.05
138	HI LINE UTILITY SUPPLY CO (P)	Summarized transactions: 5	912.08

Attachment: AP Board CRMO (4848 : AP Board listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/16/2015 To 12/06/2015
Consolidated & Summarized Below 1,000

139	FEDEX FREIGHT INC	Summarized transactions: 2	877.23
140	U S A SAFETY SUPPLY	Summarized transactions: 5	873.06
141	A B M EQUIPMENT & SUPPLY INC	Summarized transactions: 1	860.89
142	HUSKIE TOOLS INC	Summarized transactions: 3	857.82
143	SMS SYSTEMS MAINTENANCE SERVI	Summarized transactions: 1	806.86
144	GRAYBAR ELECTRIC COMPANY INC	Summarized transactions: 4	790.60
145	CONCAST INC	Summarized transactions: 2	790.00
146	LAWSON PRODUCTS INC (P)	Summarized transactions: 3	781.08
147	MN SUPPLY COMPANY INC	Summarized transactions: 2	774.88
148	GLOBAL EQUIPMENT COMPANY	Summarized transactions: 3	759.98
149	GRAINGER INC	Summarized transactions: 18	737.06
150	BLOM BRYAN	Summarized transactions: 1	719.66
151	INTERSTATE MOTOR TRUCKS INC	Summarized transactions: 4	707.92
152	DAVE SYVERSON TRUCK CENTER IN	Summarized transactions: 5	693.63
153	DRUGG JESSICA	Summarized transactions: 1	689.28
154	JOHNSON CARY	Summarized transactions: 1	683.66
155	HAWKINS INC	Summarized transactions: 3	683.32
156	HANSON PATRICIA S	Summarized transactions: 7	680.53
157	MILESTONE MATERIALS	Summarized transactions: 2	668.10
158	CENTURYLINK	Summarized transactions: 2	655.81
159	NALCO COMPANY	Summarized transactions: 5	616.79
160	SIREK HYDRAULIC SERVICE INC	Summarized transactions: 3	577.82
161	GUNDERSON BRADLEY	Summarized transactions: 2	572.75
162	GARCIA GRAPHICS INC	Summarized transactions: 6	553.25
163	HYRES, DAVID	Summarized transactions: 1	500.00
164	TOMPKINS MARY	Summarized transactions: 1	483.16
165	AMAZON.COM	Summarized transactions: 5	476.17
166	BEST BUY BUSINESS ADVANTAGE d	Summarized transactions: 2	457.27
167	HARTY MECHANICAL INC	Summarized transactions: 2	431.70
168	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 8	431.16
169	HIGH VOLTAGE INC	Summarized transactions: 2	425.00
170	ADVANTAGE DIST LLC (P)	Summarized transactions: 3	410.08
171	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 1	408.29
172	HACH COMPANY	Summarized transactions: 2	399.89
173	JIM WHITING NURSERY/GARDEN CT	Summarized transactions: 1	398.06
174	ARNOLDS SUPPLY & KLEENIT CO (Summarized transactions: 4	396.94
175	COOK STEVEN J	Summarized transactions: 5	396.03
176	A T & T	Summarized transactions: 1	395.81
177	CDW GOVERNMENT INC	Summarized transactions: 2	391.96
178	ULTEIG ENGINEERS INC	Summarized transactions: 1	372.00
179	JOHN HENRY FOSTER MN INC	Summarized transactions: 2	343.58
180	MN PIPE & EQUIPMENT	Summarized transactions: 1	333.07
181	NICKELS SCOTT	Summarized transactions: 1	319.80
182	SCHARF AUTO SUPPLY INC	Summarized transactions: 4	304.79
183	SOMA CONSTRUCTION INC	Summarized transactions: 1	301.46
184	HEIMER WILLIAM T	Summarized transactions: 1	300.00

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ROCHESTER PUBLIC UTILITIES

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185	FEDEX	Summarized transactions: 1	268.65
186	MCMASTER CARR SUPPLY COMPANY	Summarized transactions: 6	256.78
187	WORKS COMPUTING INC	Summarized transactions: 1	252.88
188	ALDEN POOL & MUNICIPAL SUPPLY	Summarized transactions: 2	252.00
189	OLM COUNTY PROPERTY RECORDS	Summarized transactions: 4	251.00
190	PENTEK CHARLES	Summarized transactions: 2	248.00
191	HELMBRECHT DAN	Summarized transactions: 2	247.39
192	RONCO ENGINEERING SALES INC	Summarized transactions: 3	247.02
193	THOMPSON GARAGE DOOR CO INC	Summarized transactions: 2	230.59
194	REBATES	Summarized transactions: 9	225.00
195	R D O - POWERPLAN OIB	Summarized transactions: 1	212.63
196	CLAREY'S SAFETY EQUIPMENT dba	Summarized transactions: 1	200.00
197	JACKSON SIDNEY	Summarized transactions: 2	190.63
198	MENARDS ROCHESTER NORTH	Summarized transactions: 3	190.17
199	MSC INDUSTRIAL SUPPLY CO INC	Summarized transactions: 3	185.32
200	TWIN CITY SECURITY INC	Summarized transactions: 1	183.40
201	IRON MOUNTAIN DBA	Summarized transactions: 1	180.34
202	TEREX UTILITIES INC	Summarized transactions: 3	179.50
203	MISSISSIPPI WELDERS SUPPLY CO	Summarized transactions: 1	165.71
204	CINTAS CORP	Summarized transactions: 1	164.99
205	CRESCENT ELECTRIC SUPPLY CO	Summarized transactions: 6	162.52
206	ROCH LANDSCAPING SERVICES INC	Summarized transactions: 1	154.97
207	ON SITE SANITATION INC	Summarized transactions: 2	154.74
208	CITY OF ROCHESTER	Summarized transactions: 1	153.88
209	FRANZ REPROGRAPHICS INC	Summarized transactions: 2	147.17
210	CITY OF ROCHESTER	Summarized transactions: 1	144.88
211	POST BULLETIN CO	Summarized transactions: 2	138.24
212	SUTTON JEREMY	Summarized transactions: 2	137.49
213	FAIRWAY OUTDOOR FUNDING LLC	Summarized transactions: 1	135.00
214	FASTENAL COMPANY	Summarized transactions: 5	120.96
215	FIRST CLASS PLUMBING & HEATIN	Summarized transactions: 1	120.86
216	STATE OF MINNESOTA	Summarized transactions: 3	120.00
217	OPTIV SECURITY INC	Summarized transactions: 1	118.46
218	BREMER PATRICIA	Summarized transactions: 1	117.13
219	AUTOMATIONDIRECT.COM	Summarized transactions: 1	110.62
220	POMPS TIRE SERVICE INC	Summarized transactions: 1	109.00
221	RONCO ENGINEERING SALES INC	Summarized transactions: 1	99.69
222	DEX MEDIA	Summarized transactions: 1	99.00
223	ALL SYSTEMS INSTALLATION INC	Summarized transactions: 1	96.19
224	SCHAD TRACY SIGNS INC	Summarized transactions: 1	96.19
225	T E C INDUSTRIAL INC	Summarized transactions: 2	86.38
226	NEW PIG CORPORATION	Summarized transactions: 3	85.88
227	THOMAS TOOL & SUPPLY INC	Summarized transactions: 2	85.49
228	SLEEPY EYE TELEPHONE CO	Summarized transactions: 1	84.76
229	ALTEC INDUSTRIES INC	Summarized transactions: 2	84.50
230	MENARDS ROCHESTER SOUTH	Summarized transactions: 2	79.66

Attachment: AP Board CRMO (4848 : AP Board listing)

ROCHESTER PUBLIC UTILITIES
A/P Board Listing By Dollar Range
For 11/16/2015 To 12/06/2015
Consolidated & Summarized Below 1,000

231	FLOETER CHARLES	Summarized transactions: 1	75.31
232	HOLTORF DAVE	Summarized transactions: 1	75.00
233	MINNESOTA ENERGY RESOURCES CO	Summarized transactions: 2	74.93
234	VANCO SERVICES LLC	Summarized transactions: 1	74.20
235	INSTY PRINTS ROCHESTER (P)	Summarized transactions: 1	71.40
236	G A ERNST & ASSOCIATES INC	Summarized transactions: 1	70.00
237	VERIFIED CREDENTIALS INC	Summarized transactions: 1	69.00
238	HERCULES INDUSTRIES INC	Summarized transactions: 2	65.36
239	ALTERNATIVE TECHNOLOGIES INC	Summarized transactions: 1	65.00
240	AGRICULTURAL WEATHER INFO SER	Summarized transactions: 1	65.00
241	HATHAWAY TREE SERVICE INC	Summarized transactions: 1	60.00
242	PALMER SODERBERG INC	Summarized transactions: 1	59.76
243	ANDERTON RANDY	Summarized transactions: 2	51.83
244	FORSTNER JAY	Summarized transactions: 1	50.60
245	POWER PROCESS EQUIPMENT INC (Summarized transactions: 2	45.19
246	TOKAY SOFTWARE	Summarized transactions: 1	44.00
247	CHS ROCHESTER	Summarized transactions: 1	42.35
248	THRONDSOIN OIL & LP GAS CO	Summarized transactions: 1	41.96
249	AFFILIATED CREDIT SERVICES IN	Summarized transactions: 1	39.64
250	BATTERIES PLUS	Summarized transactions: 1	32.07
251	MN DEPT OF LABOR & INDUSTRY	Summarized transactions: 1	30.00
252	MANSFIELD OIL COMPANY	Summarized transactions: 2	28.07
253	HALL NICK	Summarized transactions: 1	24.72
254	JOHNSON CARY	Summarized transactions: 1	23.00
255	MN DEPT OF HEALTH	Summarized transactions: 1	23.00
256	NORTH AMERICAN ELECTRIC RELIA	Summarized transactions: 2	20.09
257	POSSABILITIES OF SOUTHERN MN	Summarized transactions: 1	19.00
258	GOODIN COMPANY	Summarized transactions: 1	15.86
259	MENARDS ROCHESTER NORTH	Summarized transactions: 1	14.72
260	CLEMENTS CHEVROLET CADILLAC S	Summarized transactions: 1	7.61
261	FEDEX	Summarized transactions: 1	6.52
262			
263		Price Range Total:	108,412.90
264			
265		Grand Total:	3,408,117.40

Attachment: AP Board CRMO (4848 : AP Board listing)



RESOLUTION

WHEREAS, Mr. Stahl has diligently served on the Utility Board since 2007 specializing in legal, policy and the audit committee, and

WHEREAS, Mr. Stahl has been a valuable asset and has contributed substantially to the well-being of Rochester Public Utilities and the local citizens by his leadership and efforts in such areas as energy efficiency, customer service, environmental protection, economic development, service territory disputes, and internal transitions within the Utility, and

WHEREAS, Rochester has benefited from the steady leadership of people like Mr. Stahl who believe in municipal ownership, and

NOW, THEREFORE BE IT RESOLVED that the Rochester Public Utility Board wishes to recognize and thank Mr. Stahl for his leadership, many talents, commitment to excellence and service to the Board and community.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.



President

Secretary



RESOLUTION

WHEREAS, Mr. Williams has diligently served on the Utility Board since 2008 serving as Board President and specializing in operations and administration, and

WHEREAS, Mr. Williams has been a valuable asset and has contributed substantially to the well-being of Rochester Public Utilities and the local citizens by his leadership and efforts in such areas as energy efficiency, customer service, environmental protection, economic development, service territory disputes, and internal transitions within the Utility, and

WHEREAS, Rochester has benefited from the steady leadership of people like Mr. Williams who believe in municipal ownership, and

NOW, THEREFORE BE IT RESOLVED that the Rochester Public Utility Board wishes to recognize and thank Mr. Williams for his leadership, many talents, commitment to excellence and service to the Board and community.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.



Board Member

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4799)

Meeting Date: 12/15/2015

SUBJECT: Steel Transmission Poles

PREPARED BY: Steve Cook

TEM DESCRIPTION:

Sealed bids were opened on December 1, 2015 for 22 types of steel transmission poles. The costs for the poles have been budgeted within separate projects that will use this material. Preference was given to lead times of 12 weeks or less from issuance of a purchase order.

A breakdown of the bids (pre-tax) is as follows:

Vendor	Bid Amount
Trinity Meyer	\$176,726
Sabre-FWT	\$183,703
Valmont Newmark	\$227,114
VSI Sales	\$275,108

Bid documents required that all respondents provide firm prices for all specified poles. Valmont Newmark submitted a non-responsive bid as they failed to submit a firm price for the custom designed pole.

Trinity Meyer Utility Structures LLC submitted a responsive bid which has been evaluated and determined to meet RPU requirements. They have also performed well in the past.

UTILITY BOARD ACTION REQUESTED:

Staff recommends the Board reject the bid from Valmont Newmark as non-responsive and authorize a resolution to enter into a purchase order with Trinity Meyer Utility Structures, LLC in the amount of \$176,726 plus applicable tax.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to reject the Valmont Newmark bid and approve a purchase order with Trinity Meyer Utility Structures, LLC for:

Steel Transmission Poles

The amount of the contract agreement to be ONE HUNDRED SEVENTY SIX THOUSAND SEVEN HUNDRED TWENTY SIX AND 00/100 DOLLARS (\$176,726.00) plus applicable tax.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

FOR BOARD ACTION

Agenda Item # (ID # 4857)

Meeting Date: 12/15/2015

SUBJECT: Insurance Quotations for 2016

PREPARED BY: Deb Donahue

ITEM DESCRIPTION:

Listed below are the recommended insurance quotations for obtaining all risk property insurance and general liability and automotive insurance for 2016.

ALL RISK PROPERTY INSURANCE:

Quotes are based on current policy limits of \$250 million. The deductibles remain the same at \$100,000 for property and transformers and a range on the turbine generators from \$250,000 to \$400,000. Management is recommending risk property coverage with Wortham Insurance through ARGUS, a public utility specific purchasing group.

	<u>PROPERTY VALUE</u>	<u>PREMIUM</u>
2012	\$ 374,149,101	\$ 438,537
2013	\$ 385,643,017	\$ 464,185
2014	\$ 391,059,796	\$ 458,145
2015	\$ 404,940,221	\$ 452,154
2016	\$ 415,943,520	\$ 394,140

The above coverage does not provide for acts of terrorism. In past years, the board has elected to decline the terrorism endorsement.

LIABILITY AND COMMERCIAL AUTO INSURANCE

Management recommends maintaining the same structure of coverage for liability and auto insurance, having the League of MN Cities provide the primary coverage up to \$1.5 million for claims in accordance with Minnesota statutory limits. The annual aggregate deductible remains at \$50,000 with \$25,000 per occurrence for all lines. In 2014, RPU received a dividend from the League of \$22,381. This year, the League will be distributing about \$16.5 million back to its members based on premiums and incurred losses for all years of membership. RPU is expecting to receive \$54,733.

Management also recommends maintaining AEGIS to provide blanket liability coverage with

FOR BOARD ACTION

Agenda Item # (ID # 4857)

Meeting Date: 12/15/2015

limits from

\$ 1,000,000 up to \$ 20,000,000.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
League of MN Cities	\$128,668	\$137,187	\$117,353	\$113,661	\$125,133
AEGIS	\$214,367	\$228,275	\$253,087	\$274,899	\$286,000

FOR CAPITAL PURCHASES/BIDS/MAJOR PROJECTS:

All the insurance premiums are within the budgeted cost center items for 2016.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve the attached resolutions for property and liability insurance for 2016.



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with the League of Minnesota Cities Insurance Trust and authorize the Mayor and the City Clerk to execute the agreement for

COMMERCIAL AUTOMOBILE AND GENERAL LIABILITY INSURANCE

The insurance agreement to be for a twelve month policy period commencing December 31, 2015, and expiring December 31, 2016.

The amount of the contract agreement to be ONE HUNDRED TWENTY-FIVE THOUSAND ONE HUNDRED THIRTY-THREE AND 00/100 DOLLARS (\$125,133.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

President

Secretary



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Wortham Insurance/ARGUS and authorize the Mayor and the City Clerk to execute the agreement for

ALL RISK PROPERTY INSURANCE

The insurance agreement to be for a twelve month policy period commencing December 31, 2015, and expiring December 31, 2016.

The amount of the contract agreement not to exceed THREE HUNDRED NINETY-FOUR THOUSAND ONE HUNDRED FORTY AND 00/100 DOLLARS (\$394,140.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

President

Secretary



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a contract agreement with Associated Electric and Gas Insurance Services, Ltd. (AEGIS) and that the Common Council authorize the Mayor and the City Clerk to execute the agreement for

EXCESS GENERAL LIABILITY INSURANCE

The insurance agreement to be for a twelve month policy period commencing December 31, 2015, and expiring December 31, 2016.

The amount of the contract agreement not to exceed TWO HUNDRED EIGHTY-SIX THOUSAND AND 00/100 DOLLARS (\$286,000.00).

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4838)

Meeting Date: 12/15/2015

SUBJECT: Memorandum of Understanding between the City of Rochester and the International Brotherhood of Elect

PREPARED BY: Wally Schlink

ITEM DESCRIPTION:

RPU staffing for the Customer Service department is requiring support for a number of reasons including growth, end of the Cold Weather Rule and support for RPU internal projects. In the past we have used temporary labor from employment agencies to provide this support. This past year it became apparent that this process was not providing either the appropriate pool of applicants or the quality of applicant required to provide the level of service that RPU is so justifiably proud of.

The City Human Resources Department suggested an alternate approach would be a Limited Appointment Position that would provide sufficient compensation to recruit qualified candidates but would not permanently expand the workforce by limiting the tenure of the position. This position would be performing the duties of a Customer Service Representative and by doing so would be covered by the appropriate bargaining unit.

The City HR Department has met with the International Brotherhood of Electrical Workers Local 949 which represents that classification of employees and agreed to submit a MOU for their ratification process.

The bargaining unit has ratified the attached MOU and staff supports the execution by the governing entities.

UTILITY BOARD ACTION REQUESTED:

Staff recommends the Board approve and execute the Memorandum of Understanding between the City of Rochester Minnesota and the International Brotherhood of Electrical Workers, Local 949 inside group and recommend approval and execution of a like action to the City Council.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF ROCHESTER AND
THE INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 949
OFFICE AND CLERICAL WORKERS – LIMITED APPOINTMENT POSITION**

This Memorandum of Understanding is entered into between the City of Rochester/Rochester Public Utilities (hereafter “City”), and the International Brotherhood of Electrical Workers (“Office and Clerical Employees”), Local 949 (hereafter “Union”).

WHEREAS, the City and the Union are parties to a Collective Bargaining Agreement (hereafter “CBA”) in effect from January 1, 2015 through December 31, 2016.

WHEREAS, the City is implementing a two-year limited appointment position to assist with backfilling administrative responsibilities typically performed by employees who have accepted various other work projects assigned by management. Candidates for the limited appointment vacancy will be told prior to hire that the position will end on a specified date.

NOW, THEREFORE, the City and the Union agree as follows:

The employee hired to fill the limited appointment position will be a member of the bargaining unit represented by the Union and will be covered by all the terms and conditions of employment set forth in the current CBA except as noted below. The limited appointment position will be paid in accordance with the wage grid established for Grade 3 positions.

1. Article 11, Seniority, Bargaining Unit Seniority, Section A/2 and B/2 will not be applicable unless the limited appointment employee’s position is later transferred to a regular, full-time employment status without interruption in employment.
2. Article 12, Employment, Section E, Layoff, will not be applicable to the limited appointment position given a designated termination date will be pre-established prior to extending an employment offer.
3. Article 20, Leave of Absence, Section F, Return Rights, shall not be applicable given the short-term nature of this position.
4. The termination from employment of the limited appointment employee shall not be subject to the grievance procedure set forth in Article 10 of the CBA.

This Memorandum of Understanding represents the complete and total agreement between the City and the Union and will continue in effect for the duration of the 2015-2016 CBA and thereafter unless negotiated otherwise.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding on the dates set forth by their respective signatures.

City of Rochester

IBEW, Local 949 (Office and Clerical)

Mayor

Business Representative

City Clerk

Date

City Administrator

Rochester Public Utilities

Director Human Resources

President

Date

Date

Attachment: MOU IBEW Inside Limit Appt Position 12-15 (4838 : Memorandum of Understanding between the City of Rochester and the



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve and execute the Memorandum of Understanding between the City of Rochester Minnesota and the International Brotherhood of Electrical Workers, Local 949 inside group for:

A Limited Appointment Customer Service Representative Position

and that the Common Council authorize the Mayor and the City Clerk to execute the agreement.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4787)

Meeting Date: 12/15/2015

SUBJECT: Professional Services: Bluespire Marketing

PREPARED BY: Tony Benson

ITEM DESCRIPTION:

Staff has renegotiated an Agreement with Bluespire, Inc. for a forty-eight month term beginning January 1, 2016. Bluespire is the marketing firm that creates and distributes the RPU Plugged In monthly magazine and their services include layout, design, editing, printing and distribution of the publication. Staff anticipates this Agreement to cost approximately \$244,188 annually.

This new Agreement includes using 30% post-consumer recovered fiber manufactured with certified renewable energy, Forest Stewardship Council (FSC®) certified paper printed with soy-based ink. Minnesota law requires all public entities to consider environmentally friendly paper "whenever practicable".

This Agreement includes a price increase of two cents per magazine as a result of the environmentally friendly paper but we expect to save:

- 39.1 trees
- 17.6 million BTU's in energy
- 4938.668 kilo-watt hours saved
- 12051 lbs of CO2 = 1.1 cars/year
- 18298 gallons of water
- 1225 lbs in solid waste reduction

The continued positive feedback from customers and staff supports our recommendation to continue with the publication. The 2016 budget includes \$250,000 for this expenditure.

The Agreement has been reviewed by the City Attorney.

UTILITY BOARD ACTION REQUESTED:

Staff recommends authorizing the Mayor and City Clerk to execute a forty-eight month Agreement with Bluespire, Inc. and approval of a subsequent purchase order, \$244,188 for 2016, with future purchase orders subject to the annual approval of the RPU budget.



**Statement of Work (SOW) for Print Publication
Between
Bluespire, Inc. ("BSI") and City of Rochester ("Client")
11/24/2015**

Statement of Work

This Statement of Work (SOW) #1 is entered into this 1/1/2016 ("Project Agreement Effective Date") between Bluespire, Inc. ("BSI"), and City of Rochester, a Minnesota municipal corporation, acting by and through its Public Utility Board (RPU) ("CLIENT").

Term

The term of this SOW is forty-eight (48) months beginning 1/1/2016 and ending 12/31/2019. Client's signature of this SOW is approval for the first twelve (12) month term. Client has the ability to cancel SOW for each subsequent year's term if budget dollars are not approved. Cancellations must be provided with a written notification sixty (60) days prior to the end of the applicable SOW term.

Content and Design

BSI will design a Publication based on Client's brand. Feature articles, graphics, and/or other content selected by BSI from BSI's library and/or submitted by Client, which may be edited by BSI, subject to Client's approval. Access to Client Resource Center is included.

- * Publication designed by BSI, based on Client's brand. BSI will include one full redesign during the 48-month term of this SOW.
- * Flexibility to submit any amount of content for placement anywhere in the layout.
- * Choice of BSI'S feature articles within publication, which may be edited to fit Client's needs.*
- * Relevant graphics selected by BSI'S designers from BSI'S image library and/or graphics submitted by Client.

* Custom content on products/services of Client's choosing available at \$500 per subject for standard length/formats. Extensive editing of content from BSI'S content library by BSI staff at \$150 per article.

Printing

- * Printing, stitching and folding to specifications outlined below.
- * PDF for use on Client's website.

Printing Specifications

- * Quantity per Issue*: 46,600
- * Pages: 8
- * Frequency- times per year: 12 **
- * Paper: 70# matte, Utopia II:XG
- * Colors: 4C/4C
- * Finished Size: 8.5 x 11/11 x 17/8.5 x 11
- * Green credit icons: TBD "green" icons will be printed on the publications. The approval form will identify the selected option(s).

*Quantity may be adjusted upward by 1% to 2% to cover industry standard spoilage in mailing. BSI acknowledges that Client will be moving to an electronic version of this publication which may gradually reduce the printed quantity. Should the monthly printed quantity fall below 25,000 for three consecutive months, a change order to adjust the publication price will be required. Please note that all creative costs will remain the same; only print quantity and postage costs will be adjusted.



**Frequency of publication may decrease to 6x/year at the beginning of a subsequent twelve (12) month term, with a sixty-day (60) written notice from Client to BSI. In this event, a change order will be processed as pricing may be subject to change.

Delivery

The publications will be delivered on or near the 15th of the following months: beginning February 2016, March, April, May, June, July, August, September, October, November, December and ending January 2017.

Publications will be shipped standard land shipping – approximately 2-3 days. The cost of shipping, handling, postage and delivery services are in addition to the Fees set forth above and will be invoiced to Client.

Mailing Services

BSI will distribute the publication on Client's behalf using the Client-supplied mailing list.

Client will use BSI Mail Services.

- BSI will pre-sort the mailing list for postage discounts, address by ink-jet process and mail as Standard A from printer.
- Client's postage funds must be received prior to mail processing.
- Postal discounts will be pursued at the time of distribution to the extent available.

Client Responsibilities

In addition to the responsibilities set forth in this document, BSI's performance of the services and delivery of the Deliverables is dependent on the Client successfully completing the following:

- * BSI will send Client the final version for written approval prior to printing.
- * Client will check final format and content of each Deliverable and provide appropriate and timely sign-off.
- * Maximum of four (4) rounds of revisions per Deliverable are included. Additional rounds may result in additional fees.
- * If not specified in this SOW, any included photography is sourced from BSI current license stock photography vendors.
- * Any out-of-pocket expenses will be billed at cost and be invoiced throughout the term of the project.
- * Changes requested by Client that exceed standard editing may incur additional charges. Examples of modifications beyond standard editing include, but are not limited to:
 - Original writing assignments beyond the contracted terms.
 - More than one (1) interview per article with an interview length of up to 45 minutes (assumes one (1) interviewee per interview).
 - Significant editing/rewriting of Client-supplied content.
 - Articles and Artwork contracted by Client but abandoned prior to production.
 - Page designs contracted by Client but abandoned prior to production.

Investment Summary

Deliverable	Amount
* Print Publication**	
- Publication price per issue:	\$9,726
- Estimated delivery, shipping and handling price per issue:	\$330
- Estimated mailing services price per issue:	<u>\$2,359</u>
- Estimated total price per issue (does not include postage):	<u>\$12,415</u>

**Based on printing and mailing more than 25,000 pieces.



Timelines

A timeline will be created at the beginning of each project and may be adjusted after the Discovery phase based on full scope of the project. At the conclusion of each phase, there will be a formal sign-off. A new phase cannot begin until the previous phase is completed. Any delays will push out the timeline accordingly. Any timelines discussed before the Discovery phase is completed should be considered “draft” and not final, as final timelines cannot be developed, or committed to, until the project is fully scoped during the Discovery phase.

Out-of-Scope Work

Services and Deliverables to be provided pursuant to this SOW do not include any services not mentioned in this document. Out-of-scope work includes, but is not limited to:

- Additional rounds of changes, concepts, designs or design templates.

Invoicing

BSI will invoice at time of approval to print. Invoice will include any adjustments, up or down, from the previous month's printing. Invoices are payable within thirty (30) days of receipt. Estimated postage will be billed and must be paid in advance of mailing or mailing will be delayed. BSI will invoice the Client for the term as follows:

- * Print Publication
 - Issue Fees and Mail Services Fees (and any fees for custom content or editing) will be invoiced at time of printing or distributing of each issue.
 - Any fees for custom content or editing beyond what was contracted for or third party product or service fees will be invoiced monthly.
 - Estimated postage will be invoiced and must be paid in advance of mailing or mailing may be delayed. Any adjustments up or down, in the total cost of printing and shipping will be reconciled after shipping. Client will also be invoiced for any applicable postal permit fees.
 - If Client delays but delivery date must be expedited, a rush charge of 15% may be applied.
 - Invoice Address: invoices@rpu.org.

Main Contacts

BSI: Shelly Elliott 952-852-1179, 7650 Edinborough Way, Suite 500, Minneapolis, MN 55435

Client: Rochester Public Utilities, Tony Benson, 4000 East River Road, Rochester, MN 55906, tbenson@rpu.org
507-280-1534



MASTER TERMS & CONDITIONS

DELIVERABLES. BSI will provide Client products and/or services, which may include marketing, communications, publications, content creation, collateral materials, website development, interactive projects, strategy, and the like (collectively, "Deliverables") as stated in the Statement of Work(s) ("SOWs") that may be executed from time to time during the term hereof. These Master Terms & Conditions ("T&C's") and the applicable SOW (collectively, "Agreement") will govern the parties' rights and obligations regarding the applicable Deliverable. Deliverables will be completed per mutually agreed upon schedule between BSI and Client. BSI will assign resources to the project based upon this schedule. A project timeline will be developed with key milestone and sign-off dates.

CLIENT RESPONSIBILITIES. Client will perform all tasks assigned to Client and provide assistance and cooperation in order to help BSI timely and efficiently complete Deliverables. Client has final approval and sign off of materials before printing and posting; while BSI will proofread and verify to the best of its abilities, final review responsibility lies with the client. In addition to any responsibilities stated in the applicable SOW, Client will supply BSI, in a timely manner and in accordance with BSI's technical requirements, all instructions and content to enable BSI to complete the Deliverables timely and efficiently. It is Client's sole responsibility to ensure content and its usage are satisfactory to Client and do not violate any laws or infringe on any third party rights, and Client will indemnify BSI regarding the foregoing. Client represents and warrants that any materials contributed to the Deliverables by Client, either in original form or as an edit or change, does not contain any material that violates any third party rights. Client is responsible for making, at its own expense, any changes or additions to Client's software and hardware as may be required to support use of the Deliverables. Unless otherwise specified in a SOW, Client is solely responsible for providing all content for the Deliverables. Although some Deliverables may contain security aspects, it is Client's sole responsibility to determine, initially and on an on-going basis, if such aspects are sufficient and to maintain or revise such aspects from time to time. Client will comply with any operating instructions provided by BSI regarding Deliverables. Client approvals will be furnished to BSI through email or otherwise in writing; provided that this won't relieve Client's obligation to pay for products or services furnished based on verbal approvals. BSI won't be obligated to furnish any Deliverables outside the scope of a SOW unless the parties execute a Change Order; provided that this won't relieve Client's obligation to pay for products or services furnished at Client's request without a Change Order.

BSI's performance of the services and delivery of the Deliverables to Client is dependent on Client successfully completing the following:

- Providing BSI with access to appropriate personnel and documentation necessary to complete the project on a timely basis.
- Providing timely feedback and approvals as set forth in the production schedule or within such timeframe agreed to between parties.
- Providing any required direction (content, assignments, etc.) within the appropriate timeframe as dictated by the production schedule.
- Checking final format and content of each Deliverable and provide appropriate and timely sign-off.

Any Client delays that result in more than a week push on the project timeline may incur project delay fees of up to \$500 per week of delay. It is the responsibility of the BSI account manager to alert Client if the project is in danger of incurring such fees a minimum of (1) week prior so the situation can be rectified or the delays can be approved with no fees associated.

OWNERSHIP & LICENSE. As between the parties, BSI will own all worldwide rights, title, and interest in and to the Deliverables, including all content, source code, object code, and documentation unless Client supplied. Upon Client's payment to BSI of the fees due for a Deliverable, BSI grants Client a worldwide, royalty-free, non-exclusive, non-transferable, non-sublicensable license to use the Deliverable in the form delivered to Client for the purpose originally contemplated by the SOW for the period of time covered by the subject payment. If Client wishes to use or modify the Deliverable for any other purpose, Client must secure



BSI's prior written consent and must pay such additional appropriate licensing fees as the parties may at that time agree upon. If BSI uses products or services obtained or licensed from third parties in creating the Deliverables (e.g., server-side applications, clip art, back-end applications, fonts, music, stock images, or any other copyrighted work), Client's use rights and restrictions regarding such products or services will also be subject to any applicable third party licenses. Notwithstanding the foregoing, in the case of custom content developed exclusively for Client, the copyright will, as between Client and BSI, reside with Client upon BSI's receipt of full payment hereunder, with the exception of any incorporated third party intellectual property, pre-existing BSI intellectual property, or intellectual property developed by BSI outside this Agreement, or any derivative works of the foregoing, with a license to Client of such intellectual property of the same scope and restrictions as described in the prior part of this Section. Except as otherwise contemplated by a SOW, Client will not modify any Deliverable except for the data fields or prompts designed for input of data or software that is licensed for development use by Client; create any derivative works from any Deliverable; sell, lease, or sublicense any Deliverable; offer it through a service bureau arrangement; make any Deliverable publicly available through a web site or other means; display or allow access to or use of any Deliverable by persons or at facilities other than those authorized under a SOW; use any Deliverable in a way that would violate any law or that would be contrary to its intended use; or decompile, disassemble, or reverse engineer any Deliverable.

TERMINATION. These T&C's will terminate as follows: (i) by either party: (x) for convenience, upon sixty (60) days written notice to the other party, (y) if a party is in material breach hereunder which breach is not cured within thirty (30) days (or fifteen (15) days in the case of non-payment by Client of any invoice when due) of the party's receipt from the other party of written notice of the intent to terminate based on such breach, or (z) immediately if the other party violates the confidentiality section, or (ii) immediately by BSI if Client violates the license granted herein. Any convenience termination is effective upon the termination of all SOWs. Any other termination is effective upon the termination and all SOWs will also terminate at that time. A SOW will terminate upon the earlier of: (x) final delivery of products and services thereunder, (y) the termination specified therein, or (z) as follows: either party may terminate a SOW if the other party is in material breach thereunder, which breach is not cured within thirty (30) days (or fifteen (15) days in the case of non-payment by Client of any invoice when due) of the party's receipt from the other party of written notice of the intent to terminate based on such breach.

EFFECT OF TERMINATION. Upon termination of a SOW: (a) with the exception of the license or ownership rights set forth above regarding fully paid for Deliverables, all rights granted to Client under the Agreement(s) will immediately terminate; (b) Client will immediately cease use of the Deliverables under that SOW that are not fully paid for; (c) the parties will cease using each other's confidential information relating to that SOW; (d) within fifteen (15) days, each party will either (i) return all copies of the other party's confidential information relating to that SOW or (ii) with the other party's written permission, destroy the same and provide an officer's certificate of such destruction; and (e) Client will immediately pay any outstanding BSI invoices and all other amounts due under that SOW. In addition, the parties may exercise any legal or equitable remedies they may have. The provisions of the Agreement(s) will survive termination as the context may naturally dictate.

FEES. Client will pay BSI the fees as stated in the applicable SOW. Unless otherwise stated in the SOW, Client will also pay for any expenses incurred by BSI under the SOW, including photography fees, travel and meal costs. BSI will also charge Client for any applicable third party product and service fees and expenses. BSI invoices will be due and payable upon receipt. If Client fails to pay any BSI invoice when due, BSI may, in addition to its other rights and remedies, require prepayment or other payment arrangements satisfactory to BSI for subsequent payments. Client will pay or reimburse BSI for any sales, use, excise, value added, or other taxes, duties, and governmental charges which BSI is required to pay or collect regarding sale of any Deliverable. Client won't assert any right of deduction or set-off against invoices. Any amount not paid within thirty (30) days will accrue a late fee at the lower of one and one-half percent (1.5%) per month or the highest rate permitted by law, plus all costs of collection, including attorneys fees. All fees and expenses paid by Client are non-refundable.



CONFIDENTIAL INFORMATION. Except as otherwise required by the Minnesota Government Data Practices Act, each party (“Recipient”) will hold as confidential all confidential information (“Confidential Information”) it receives from the other party (“Discloser”), including: any documentation or other written or electronic or other materials that are marked confidential; (b) information that is disclosed orally and is identified as confidential at the time of disclosure; documentation, other materials or oral information which should be considered as confidential in the exercise of reasonable judgment; and each party’s technological developments, trade secrets, intellectual property rights, product development, business strategies, business plans and analysis, financial information, personnel information, information about marketing and sales, information about products or pricing, and information about customers. Confidential Information does not include information that the Recipient can establish: is publicly known without breach of these T&Cs; is known by the Recipient through another source without an obligation of confidentiality; or was developed independently by the Recipient without reference to the Discloser’s Confidential Information. All Confidential Information will remain the property of the Discloser. Recipient will not sell, lease, license, or otherwise transfer any rights in, or disclose, or make or allow any unauthorized use of any of Discloser’s Confidential Information. Recipient will use the same care to avoid disclosure or unauthorized use of Discloser’s Confidential Information as it uses for its own confidential information, but in no event less than a reasonable standard of care. If Recipient becomes aware of a security breach involving the Discloser’s Confidential Information, Recipient will promptly notify Discloser. Recipient may use Discloser’s Confidential Information only in accordance with the purpose of the Agreement(s), and will return such information when Recipient no longer needs it for such purposes, but in no event will Recipient retain it beyond the earlier of the termination of the applicable SOW or Discloser’s instruction to return it. With Discloser’s written permission, Recipient may destroy Confidential Information in lieu of returning it, and provide an officer’s certificate of such destruction. The terms of the Agreement(s) are confidential, but either party can disclose that it is doing business with the other party.

DISCLAIMER OF WARRANTIES. THE DELIVERABLES AND ALL OTHER PRODUCTS OR SERVICES PROVIDED BY BSI ARE PROVIDED BY BSI AND ACCEPTED BY CLIENT “AS IS,” WITHOUT ANY WARRANTIES WHATSOEVER. ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES REGARDING NON-INFRINGEMENT, ACCURACY, COMPATIBILITY, TITLE, MERCHANTABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

LIMITATION OF LIABILITY. IN NO EVENT WILL BSI BE LIABLE, IN CONTRACT, TORT, OR OTHERWISE, TO CLIENT OR ANY THIRD PARTY FOR ANY LOSS OF GOODWILL, PROFITS, BUSINESS INTERRUPTION, LOSS OF INFORMATION, OR ANY OTHER INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING TO THE DELIVERABLES OR ANY OTHER PRODUCTS OR SERVICES PROVIDED BY BSI, EVEN IF BSI HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. CLIENT WILL DEFEND AND INDEMNIFY BSI WITH RESPECT TO ANY THIRD PARTY CLAIMS ALLEGING DAMAGES OF THE TYPES DESCRIBED ABOVE. MOREOVER, BSI’S AGGREGATE LIABILITY WITH RESPECT TO ANY CLAIMS OR DAMAGES OF ANY NATURE ARISING FROM OR RELATING TO THE AGREEMENT(S) OR ANY PRODUCTS OR SERVICES WILL IN ANY EVENT BE LIMITED TO THE AMOUNT PAID TO BSI UNDER THE APPLICABLE SOW WITHIN THE SIX (6) MONTHS PRECEDING THE DATE THE CLAIM AROSE. CLIENT WILL NOT ASSERT ANY CLAIM AGAINST BSI MORE THAN ONE YEAR AFTER THE CLAIM AROSE.

GENERAL.

(a) BSI is an independent contractor of Client, and not a partner or joint venturer; under no circumstances will any employees of one party be deemed employees of the other.

(b) BSI may make available to Client third party product (e.g., software) or services as part of the Deliverables. Use of any third party product or services, or any maintenance or support thereof, may be conditioned on Client’s execution of a third party agreement. In any event, BSI will not be responsible for the use or failure of any third party product or services, nor does BSI make any representations or



warranties of any nature whatsoever regarding any third party product or service, express or implied, nor will BSI be obligated to fix errors or defects in, or maintain or support any third party product or service, and BSI's only obligation regarding third party products or services is to inform the third party of any errors or defects of which Client makes BSI aware in writing.

(c) Client will not remove any copyright, patent, trademark, or other notices from any Deliverables and will include any such notices in any reproductions or modifications of the Deliverables. BSI may use Client's name and may display materials created under the Agreement(s) in BSI's creative portfolio (except for any Client Confidential Information).

(d) Each party will comply with all applicable laws.

(e) BSI will not be in breach of any Agreement if BSI's failure to meet its responsibilities and/or time schedules is caused by Client's or a third party's failure or delay in meeting its responsibilities, or anything else outside BSI's control.

(f) BSI will not be obligated to include or link to any of the following in the Deliverables (each determined in its sole discretion): anything that might be considered obscene or illegal; hidden or meta text, graphics, or data; destructive programming; or anything else BSI may consider inappropriate; provided, however, that this will not impose any responsibility on BSI to exclude any such things nor any liability on BSI if such things are included.

(g) The Agreement(s) will be enforceable by and against the parties' successors and permitted assigns. Client will not assign any or all of its rights or obligations under any of the Agreement(s) without BSI's prior written consent.

(h) If any provision is held to be unenforceable, it will be modified so as to make it enforceable in the way that best advances the spirit of the applicable Agreement. The rule of construing ambiguities against the drafter will not apply. The term "including" as used in the Agreement(s) means "including but not limited to."

(i) No failure or delay by either party to enforce any right or remedy regarding any Agreement will constitute a waiver of that or any other right or remedy. No part of any Agreement may be modified, supplemented, cancelled, or waived, nor may any breach be waived, except through a writing signed by the party against whom it is to be enforced.

(j) Any conflict between these T&Cs and any SOW will be governed by the SOW, but solely regarding the applicable Deliverable or other issue under the SOW.

(k) The Agreement(s) will be governed by the laws of the State of Minnesota, without regard to its choice of law principles. Any dispute, claim, or controversy of any nature whatsoever relating, directly or indirectly, to any Agreement(s), under contract, tort, property, state, or federal law or otherwise, and whether arising before or after termination, will be administered in accordance with the Minnesota Civil Mediation Act. If mediation is unsuccessful, the parties may invoke any legal proceeding they determine to be appropriate. Any ancillary court action (e.g., for preliminary injunctive relief) will be in a court in Olmsted County, Minnesota.

(l) Agreement(s) may be executed in counterparts (faxed, scanned or email copies of any signed Agreement will be as valid as original).

(m) The applicable Agreement is the entire agreement between the parties regarding its subject matter and supersedes any prior or contemporaneous representations, discussions, understandings, promises, or agreements regarding the same subject matter (except neither these T&C's nor any SOW are ever superceded thereby). Any pre-printed terms on any materials that the parties use with their other vendors or customers (e.g., order forms, invoices) will be null and void and of no consequence whatsoever in interpreting the parties' rights and responsibilities as they pertain to the Agreement(s). The parties will never assert that they were induced to enter into any Agreement by any representations or promises, oral or written, not expressly contained in the Agreement.



(n) Under Minnesota Statutes § 16C.05, subdivision 5, BSI's books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the Client, the Minnesota State Auditor, or Legislative Auditor, as appropriate, for a minimum of six (6) years from the end of this Agreement.

Agreed & Accepted

CITY OF ROCHESTER

By: _____
Ardell Brede, Mayor

Attest: _____
Aaron Reeves, City Clerk

ROCHESTER PUBLIC UTILITIES

By: _____
Mark Kotschevar, General Manager

Approved
as to Form: _____
Terry L. Adkins, City Attorney

BLUESPIRE, INC.

By: _____
Bruce Ficks, Chief Financial Officer

STATE OF MINNESOTA
COUNTY OF HENNEPIN

This instrument was acknowledged before me on December ____, 2015, by Bruce Ficks, Chief Financial Officer, of Bluespire Inc., a Minnesota corporation.

Notary Signature

Attachment: BSI-RPU-Print Publication SOW-120115 (4787 : Professional Services: Bluespire Marketing)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve a forty-eight month Professional Services Agreement with Bluespire Inc. and authorize the Mayor and the City Clerk to execute the Agreement for:

RPU Plugged In Monthly Publication

RPU staff requests the Board approve a purchase order for 2016 in the amount of Two Hundred, Forty-Four Thousand One Hundred Eighty-Eight 00/100 dollars (\$244,188) with future purchase orders subject to the annual approval of the budget.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4821)

Meeting Date: 12/15/2015

SUBJECT: Agreement for Funding Lake Zumbro Restoration Services

PREPARED BY: Bill Cook

ITEM DESCRIPTION:

The Olmsted - Wabasha Lake Zumbro Joint Powers Board (JPB) took actions related to the project at recent meetings. On September 30, 2015 they passed a resolution ordering the project to be constructed. On October 28, 2015 they approved a contract with Barr Engineering to prepare the project plans.

The 2016 RPU Budget includes a \$1,167,000 contribution to the project as approved by the Board earlier this year. In order to formalize the process for RPU to execute payments related to the project a draft project agreement has been prepared for your review. This agreement outlines project responsibilities and the percent of project expenses RPU agrees to reimburse based on the prior commitment of \$1,167,000 towards an \$6.5 million project. It also includes a 30 day cancellation clause should the fundamentals of the project be revised for some unforeseen reason. This draft is currently being reviewed by the City Attorney, Olmsted County and the JPB. If the Board is comfortable with the substantive elements of the draft agreement staff would propose to have the Board delegate approval of the final Agreement to the City Attorney and General Manager. Under the current project schedule it is likely that some project funds may need to be expended prior to next month's Board meeting. This will allow the agreement to be in place prior to expending any funds.

UTILITY BOARD ACTION REQUESTED:

Staff requests the RPU Utility Board approve the expenditure of \$1,167,000.00, subject to the terms of the Agreement for Funding Lake Zumbro Restoration Services , with final approval by the City Attorney and RPU General Manager, and authorize the Mayor and City Clerk execute the agreement.

AGREEMENT FOR FUNDING LAKE ZUMBRO RESTORATION SERVICES

This Agreement amended this ____ day of _____, 2015, by and between Olmsted-Wabasha Lake Zumbro Joint Powers Board, Minnesota, a political subdivision of the State of Minnesota (hereinafter “the JPB”), the City of Rochester, Minnesota, a Minnesota municipal corporation acting by and through its Public Utility Board (hereinafter “the City”).

WHEREAS, the County borders upon a body of water commonly known as “Lake Zumbro” which is also located partially within Wabasha County. While not adjacent to the Lake, the City owns and operates a hydroelectric plant which is part of the Lake Zumbro Dam and Hydroelectric Facility located at the north end of the Lake; and

WHEREAS, the parties feel that Lake Zumbro is an important resource and major asset to each of them. The parties also believe that Lake Zumbro should be protected through collective actions designed to perpetuate and enhance this resource for the future; and

WHEREAS, sediment deposited into Lake Zumbro from the Zumbro River and its tributaries has damaged this resource; and

WHEREAS, the State of Minnesota has appropriated \$3,500,000 of state funding for costs associated with the restoration of Lake Zumbro, subject to an equal local match; and

WHEREAS, the Rochester Public Utilities has committed \$1,167,000 to the restoration of Lake Zumbro; and

WHEREAS, Olmsted County has committed \$400,000 to the restoration of Lake Zumbro; and

WHEREAS, Wabasha County has committed \$100,000 to the restoration of Lake Zumbro; and

WHEREAS, the Lake Zumbro Improvement District has proposed assessing landowners \$1,616,500 for the restoration of Lake Zumbro; and

WHEREAS, the parties have authority under Minn. Stat. §103G.245 to restore the resource by dredging sediment from the lake with authorization from the Minnesota Department of Natural Resources;

NOW, THEREFORE, it is hereby agreed by and between the parties as follows:

ARTICLE I

The parties hereto will work together in restoring Lake Zumbro through programs to fund and oversee the removal of deposited sediments through dredging. Said work will include, but is not limited to, the administration of grant and loan contracts with local, state, and federal agencies, the contracting of engineering and construction services, and the purchase of land or easements for construction access and dredge materials management.

ARTICLE II

The County will act as project manager and fiscal agent for the parties to this agreement. As fiscal agent, the County will keep track of funds contributed by the parties for this project, as well as any federal, state or local grant or private funds which may be received for this purpose, and shall track disbursements made to vendors related to this project. The parties agree they are bound to comply with the requirements of the Minnesota Government Data Practices Act and any regulation thereto. The County also agrees to keep records relating to this contract for a period of 6 years and agrees to an audit if ordered by the State, as per Minnesota State Statute Section 16c.05, Subdivision 5.

ARTICLE III

The City will reimburse the JPB for actual invoiced expenses, less any State funds received to date, for engineering and design expenses up to a maximum of \$270,000. When the project is authorized for construction the City will reimburse the JPB, on a periodic basis, for 17.8% of actual invoiced

expenses to date less reimbursements already made. The City's total contribution will not exceed \$1,167,000.

ARTICLE IV

The parties shall comply with all laws and rules that govern a public entity in the State of Minnesota and shall be entitled to the protections of Minnesota Statutes Chapter 466. Nothing in this Agreement shall be construed to waive the protections given by Chapter 466 of Minnesota Statutes. The statutory limits of liability provided for by that statute are not waived, and may not be added together, aggregated, or "stacked" for purposes of increasing the overall limits of liability of the parties to this agreement.

Each party shall fully defend, indemnify, and hold harmless the other parties against all claims, losses, liability, suits, judgments, costs and expenses by reason of the action or inaction of a party which is the subject of a claim and/or employees and/or agents of that party. This Agreement to indemnify and hold harmless does not constitute a waiver by any participant of limitations on liability provided under Minnesota Statutes Section 466.04.

The undertaking and obligations of the contracting parties set forth in this Agreement, and in any other agreements between them, are for the exclusive benefit of the parties.

ARTICLE V

The parties may, upon thirty (30) days written notice, terminate their participation in the Agreement. However, the parties agree that in the event of termination, any vendor which has been hired by the parties to perform work pursuant to this Agreement shall be paid for any work as of the date of termination which has been satisfactorily performed.

ARTICLE VI

This Agreement shall have an effective date as of the ratification of this Agreement by both parties. This Agreement shall be of force and effect until replaced, superseded, repealed, or voided by the parties hereto.

ARTICLE VII

The terms of this Agreement shall not be assigned, altered, waived, modified or amended in any manner whatsoever except by written instrument signed by the parties.

ARTICLE VIII

This Agreement constitutes the final expression of the parties' agreement, and the complete and exclusive statement of the terms agreed upon. This Agreement supersedes all prior negotiations, understandings, agreements and representations. There are no oral or written understandings, agreements or representations not specified herein.

ARTICLE IX

By executing this Agreement, the parties acknowledge that they: (a) enter into and execute this Agreement knowingly, voluntarily and willingly of their own volition with such consultation with legal counsel as they deem appropriate; (b) have had a sufficient amount of time to consider this Agreement's terms and conditions, and to consult an attorney before signing this Agreement; (c) have read this Agreement, understand all of its terms, appreciate the significance of those terms and have made the decision to accept them as stated herein; and (d) have not relied upon any representation or statement not set forth herein. Both parties wish to avoid any delays associated with a legal challenge to any of the terms of this Agreement. As such, both parties agree that they will not challenge the legality of any term or condition found within this Agreement and specifically waive any and all legal objections they may have to any such term or condition. Notwithstanding any provision in this Agreement to the contrary, this clause will survive the termination or expiration of this Agreement.

ROCHESTER PUBLIC UTILITIES

General Manager

CITY OF ROCHESTER

Mayor

Attest:

City Clerk

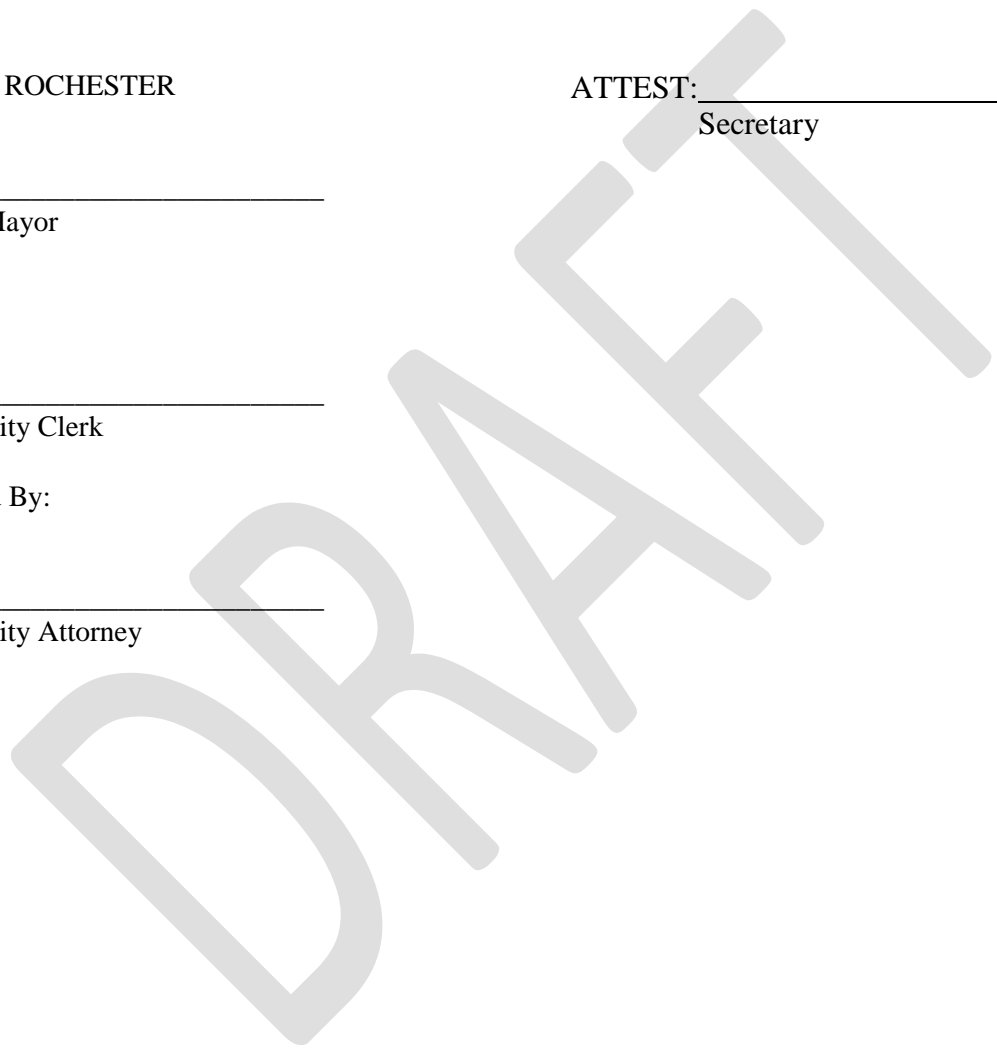
Reviewed By:

City Attorney

OLMSTED-WABASHA LAKE ZUMBRO
JOINT POWERS BOARD

By: _____
Board Chairperson

ATTEST: _____
Secretary





RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the expenditure of \$1,167,000.00, subject to the terms of the Agreement for Funding Lake Zumbro Restoration Services with final approval by the City Attorney and RPU General Manager, and authorize the Mayor and the City Clerk to execute the agreement.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4835)

Meeting Date: 12/15/2015

SUBJECT: 2016 Authorized Depositories

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

Each year the Board must pass a resolution authorizing the depositories for Utility monies. The Utility uses the same depositories as the City and follows the investment policies established by the City. The attached resolution shows the depositories to be used by RPU for investment activities for the calendar year 2016.

UTILITY BOARD ACTION REQUESTED:

The Board is requested to approve the attached resolution



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, that the following banks, authorized to do business in Minnesota, are the designated depositories for the demand deposit accounts and temporary investment of funds of Rochester Public Utilities, City of Rochester, Minnesota, within the limits established by the City of Rochester, for the term commencing January 1, 2016 through the 31st day of December, 2016.

US Bank

Wells Fargo

The above depositories, and any added during the term by the City Finance Director, shall pay interest at such rates or rates, per annum, as may be mutually agreed upon the Rochester Public Utilities and the respective depository at the time such deposits and investments are made.

The depository shall pay on demand all deposits subject to payment on demand, with accrued interest, and pay on demand all time deposits with accrued interest, at or after maturity.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

President

Secretary

FOR BOARD ACTION

Agenda Item # (ID # 4862)

Meeting Date: 12/15/2015

SUBJECT: Approving and Consenting to the Issuance of Electric Utility Revenue Bonds, of the City o

PREPARED BY: Peter Hogan

ITEM DESCRIPTION:

The Board has approved the construction of the Westside Energy Station as part of the 2016 Electric Utility budget. The 2016 budget anticipated using short term borrowing until the air permit and generation interconnection agreements related to the construction of the Westside Energy Station are obtained. These funds will be used for planning and construction related to the Westside Energy Station and provide funds needed to complete the balance of the CapX2020 project as anticipated during the original 2013 bond issuance related to the CapX2020 project.

The attached Parameters Resolution will authorize a pricing committee of Springsted Inc., the City's and RPU's financial advisor, the City's Director of Finance, RPU's General Manager and RPU's Director of Corporate Service to select the underwriter and approve the sale of either fixed or variable rate debt up to \$25,000,000 with a maturity of not more than 24 months, within the parameters established by the RPU Board and authorized by the Rochester City Council.

These short term bonds will be refunded with the issuance of long term Electric Utility Revenue Bonds once the necessary permits and agreements have been obtained.

The results of the sale will be reported to the Board.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Utility Board approve the short term bond issuance resolution, the authorization of a pricing committee within the parameters resolution and request the Common Council approve a resolution authorizing the sale of debt instruments to be used to fund RPU's short term financing needs and further authorize the Pricing Committee to approve the final sale within the parameters of this resolution.



RESOLUTION

Resolution Approving and Consenting to the Issuance of Temporary Subordinate Electric Utility Revenue Bond, Series 2016A

by the City of Rochester, Minnesota

BE IT RESOLVED By the Public Utility Board (the "Board") of Rochester Public Utilities ("RPU") as follows:

1. Recitals.
 - (a) The Board has determined that it is in the best interests of RPU and the City of Rochester, Minnesota (the "City") to provide for the issuance of the City's Temporary Subordinate Electric Utility Revenue Bond, Series 2016A in an aggregate principal amount not to exceed \$25,000,000 (the "Bond") to provide funds to finance the acquisition construction and equipping certain capital improvements to the City's municipal electric utility (the "Electric Utility") including without limitation, the proposed West Side Energy Station and a portion of RPU's percentage interest in the CapX 2020 Hampton to Rochester to La Crosse transmission line project (collectively, the "Improvements"); and
 - (b) On July 28, 2015, in accordance with Treasury Regulations, Section 1.150-2 promulgated under the Internal Revenue Code of 1986, as amended, the Board adopted a declaration of its intent to reimburse itself for expenditures incurred in connection with the Improvements.
2. Request, Consent and Approval.
 - (a) The Board hereby requests that on December 21, 2015, or as soon thereafter as possible, the Rochester Common Council (the "Council") consider a Resolution Authorizing the Sale of the City's Temporary Subordinate Electric Utility Revenue Bond, Series 2016A and Providing for Their Issuance (the "Resolution") to provide funds to finance the Electric Utility;
 - (b) The Resolution would, upon its adoption, (i) authorize the issuance of the Bond in an aggregate principal amount not to exceed \$25,000,000, and delegate to a pricing committee the authority to select the purchaser of the Bond (the "Purchaser") and negotiate with the Purchaser as to: (i) the maturity schedule for the Bond with a final maturity no later than March 1, 2018, (ii) the rate of interest on the Bond and whether such rate will be variable or fixed, provided that such rate shall not exceed



4.50% per annum, (iii) any redemption provisions, and (iv) other details of the Bond, (II) pledge the Net Revenues of the Electric Utility for the payment of the Bond on a basis subordinate to the City's outstanding electric utility revenue bonds, and (III) set forth other covenants and obligations of the City relating to the Electric Utility; and

- (c) The Resolution, in the form actually adopted, is hereby incorporated into this Resolution to the same extent as though set forth in full herein, and each capitalized term which is used in this Resolution but not otherwise defined herein shall have the meaning given to that term in the Resolution.
- (d) The Board hereby consents to and approves the issuance of the Bond, and determines that the issuance of the Bond by the City is necessary and desirable and that the issuance of the Bond is appropriate for the purposes for which the Bond is issued and hereby authorizes and requests that City issue the Bond.
- (e) The Board hereby concurs in the award, issuance and sale of the Bond and joins in and concurs in the adoption of the Resolution, and adopts all of the covenants and agreements contained therein with the same force and effect as if said Resolution had been adopted by the Board.
- (f) The approval hereby given to the Resolution includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the Pricing Committee described therein.
- (g) The Board hereby covenants and pledges to cooperate with the Council (and to take such actions, or refrain from acting, as the case may be, as may be necessary) in order to fully effectuate the intent, purposes and obligations of the City under the Resolution.

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

President

Secretary



STATE OF MINNESOTA
CITY OF ROCHESTER
PUBLIC UTILITY BOARD

I, the undersigned, being the duly qualified and acting Secretary of the Public Utility Board of the City of Rochester, Minnesota, DO HEREBY CERTIFY that I have carefully compared the attached and foregoing extract of minutes with the original minutes of a meeting of the Board duly called and held on the date therein indicated, which are on file and of record in my office, and the same is a full, true and complete transcript therefrom approving the issuance and sale by the City of Rochester of its Temporary Subordinate Electric Utility Revenue Bond, Series 2016A.

WITNESS my hand as such Secretary this 15th day of December, 2015.

Secretary

Rochester Public Utility Board

FOR BOARD ACTION

Agenda Item # (ID # 4871)

Meeting Date: 12/15/2015

SUBJECT: MISO Definitive Planning Study

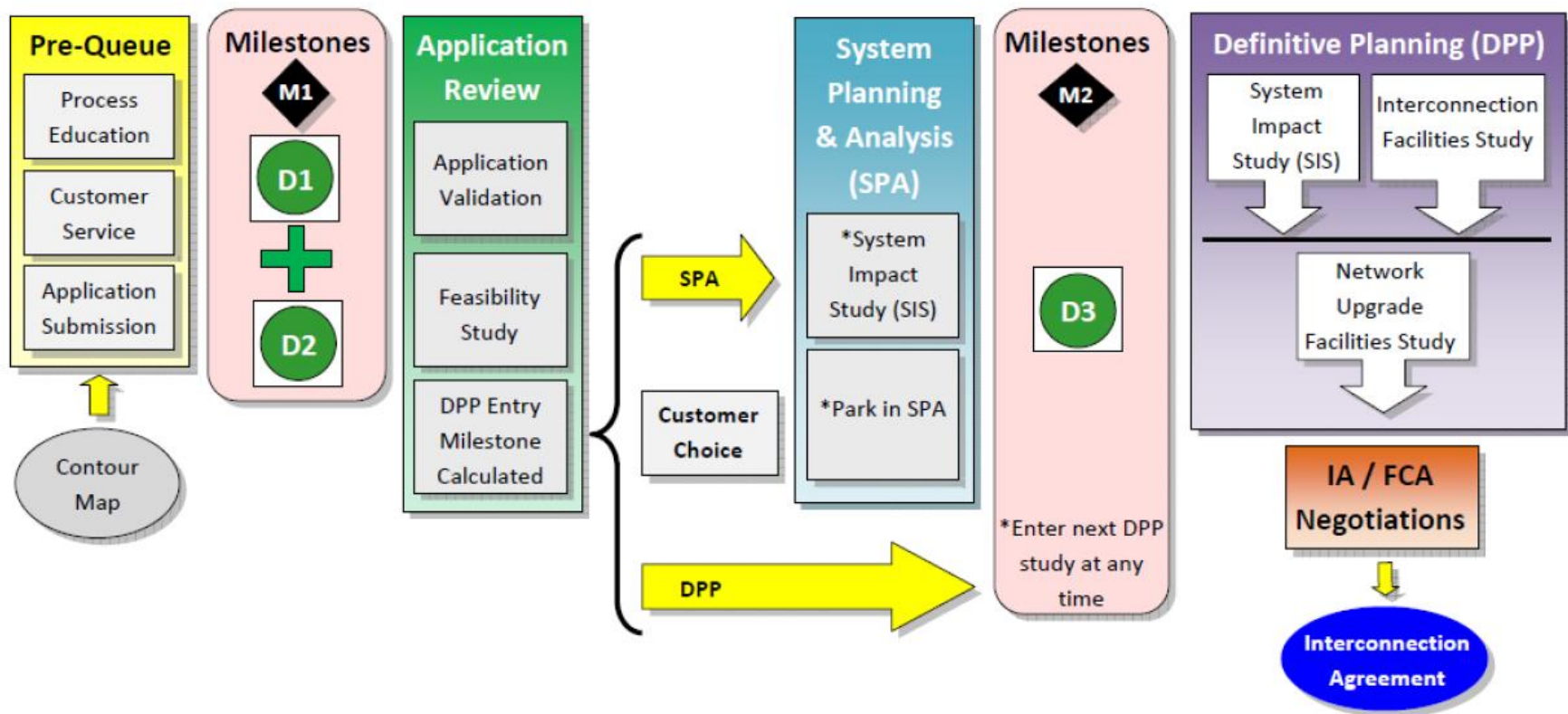
PREPARED BY: Jeremy Sutton

ITEM DESCRIPTION:

As part of the Westside Energy Station project RPU entered the project queue within the MISO Generation Interconnection process in October of 2015. The Feasibility Study was completed on 12/11/15 and results will be posted by 12/18/15. The next step in the process is to enter into the Definitive Planning Phase (DPP). The results of this study will determine if Westside Energy Station will require transmission upgrades within MISO; barring none, RPU will be granted an Interconnection Agreement. The deadline for entering the next phase is 1/4/16 with a study commencement date of 2/3/16.

UTILITY BOARD ACTION REQUESTED:

Management recommends that the Board approve the budgeted expenditure of \$150,000 to MISO for the Definitive Planning Study.



Ref	Description	Refund	<6 MW	≥6 but ≤ 20 MW	> 20 but ≤ 50 MW	> 50 but ≤ 100 MW	> 100 but ≤ 200 MW	> 200 but ≤ 500 MW	> 500 but < 1000 MW	≥ 1000 MW
D1	Application Fee/Fund FeS	No	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
D2	Fund System Impact Study (SIS)	Yes	\$10,000	\$20,000	\$30,000	\$60,000	\$60,000	\$60,000	\$90,000	\$120,000
D3	Fund DPP and Restudies	Partial	\$40,000	\$100,000	\$150,000	\$210,000	\$260,000	\$360,000	\$440,000	\$520,000

*FeS = Feasibility Study

Attachment: GIA Flowchart (4871 : MISO Definitive Planning Study)



RESOLUTION

BE IT RESOLVED by the Public Utility Board of the City of Rochester, Minnesota, to approve the budget expenditure of \$150,000 to MISO for

Definitive Planning Study

Passed by the Public Utility Board of the City of Rochester, Minnesota, this 15th day of December, 2015.

President

Secretary